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Persian Gulf Less Of Strategic Value To U.S., Hodel Says

By Milton R. Benjamin
Washington Post Staff Writer

Energy Secretary Donald Hodel told skeptical senators yesterday that the Persian Gulf is not of as much strategic interest to the United States as it used to be because the potential for another oil embargo "is far less" than it has been for years.

Hodel made the remarks in testifying before the Senate Energy and Natural Resources Committee on the administration decision to save \$2 billion in fiscal 1984 by cutting back drastically on the rate it has been filling the nation's Strategic Petroleum Reserve.

The reserve, authorized by Congress following the 1973-1974 Arab oil embargo, is being stored in salt caverns along the coasts of Louisiana and Texas. It could be used to supplement domestic supplies in event of a new world oil crisis.

"At the time it [the reserve] was created, we were very heavily dependent on imports, they were in great jeopardy, and the large proportion of those imports came from the volatile Middle East," Hodel said. "Today, that situation has changed markedly. The potential for an embargo that would precipitate a crisis—the potential is far less."

Sen. Bill Bradley (D-N.J.), who heatedly challenged Hodel's arguments, contended that it made little sense for the administration to cut back on filling the petroleum reserve while "spending much more on a Rapid Deployment Force to get a defense contingent into the Persian Gulf to protect the oil."

"If you look at the [likelihood of] an interruption of oil from, say, the Persian Gulf, it is a much smaller percentage now than it has been for years," Hodel responded.

"Then you are saying it is not as great a strategic interest to us as it was before?" Bradley asked.

"I think that is correct," Hodel said.

Hodel, while conceding that "budgetary reasons" were behind the proposal to reduce the rate at which the reserve is being filled from the current 216,000 barrels a day to 145,000, nevertheless argued that the decision was justified in light of "the much improved world energy supply situation."

Hodel said that when the reserve was created government planners anticipated the United States might be importing as much as 11 million barrels of oil a day by the mid-1980s. However, petroleum imports are running "well below the 5 million barrel level at present." He also noted that Mexico had replaced Saudi Arabia as the nation's largest foreign oil supplier.

"When you look at those changes, at consumption changes, at the availability of private stocks, at the availability of the Strategic Petroleum Reserve with 300 million barrels, we find we are very, very close to being able to withstand the 90-day type of interruption that was anticipated in International Energy Agency considerations," Hodel said.

"Looking at this as an insurance policy, at the time we originally scheduled this kind of insur-

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Stonewall

When Virginia's Republican Senator John Warner compared Defense Secretary Caspar Weinberger to a stone wall yesterday he meant it as a mild rebuke; it will hardly be taken that way in the land of Gen. Thomas Jefferson (Stonewall) Jackson.

A former secretary of the Navy, Mr. Warner had dared to suggest that the soaring \$238.6 billion defense budget cannot be exempt from cuts in an era of \$200 billion deficits. To which, Mr. Weinberger amiably replied that the senator's premises were fundamentally in error. The exchange was an appropriate opening to a months-long battle over the military budget that we fear will find Congress using a rhetorical bludgeon while paring down actual spending with a finely honed scalpel.

Mr. Weinberger may have anticipated as much when he thanked Congress for giving the administration 99 percent of its defense requests in fiscal 1982 and 95 percent in fiscal 1983. Even before the Senate Armed Services Committee hearing, he had contemptuously dismissed demands for cuts of \$25 billion over the next two years by ticking off a numbingly long list of new weapons systems that would have to be canceled. As if to rub in the message, committee chairman John Tower taunted senators to turn in lists of defense programs they would want canceled in their own states.

Before Congress gets too rattled by the Weinberger cancellation lists, it ought to examine each major weapons system individually. Most have a price-tag that tends to explode in the out-years, thus foisting on future administrations automatically expanding budgets in which procurement will predominate over personnel. It is bad enough having a government with "uncontrollable" social entitlement programs; let's not add "uncontrollable" military hardware programs to the total.

Never one to flinch, Mr. Weinberger has decided to risk an early showdown with the new Congress by drafting a \$1.6 billion supplementary appropriation including funds for the homeless MX missile. We welcome the battle because Congress at last may question the relevance of the old strategic Triad (land, sea and air missiles) concept so stoutly touted by the defense secretary. If it dares to decide that the very difficulty in finding a basing mode for the MX makes any land-based missiles a doubtful investment, other suspect weapons programs may be found as well.

This newspaper does not accept the secretary's premise that it's all or nothing. Perhaps only one or two or a handful of weapons systems may be found wanting, but the savings when projected into the future can be significant. Of course, almost any new weapon strengthens our defenses. But this is an era of choices, however adamantly Mr. Weinberger refuses to make them. Congress must find the gumption to make those choices for him.

ance policy, we thought we would need a great deal more insurance than now would appear to be essential or necessary," Hodel said.

Hodel added, however, the Reagan administration remains committed ultimately to putting 750 million barrels of oil into the reserve, albeit at a reduced pace.

"You are correct in saying that the situation has changed dramatically in the last year," Committee Chairman James A. McClure (R-Idaho) told Hodel. "Our concern will be whether or not it may change just as dramatically in the opposite direction, giving us less planning time and time to cope with that change, in the coming year."